



Short- Term Rentals

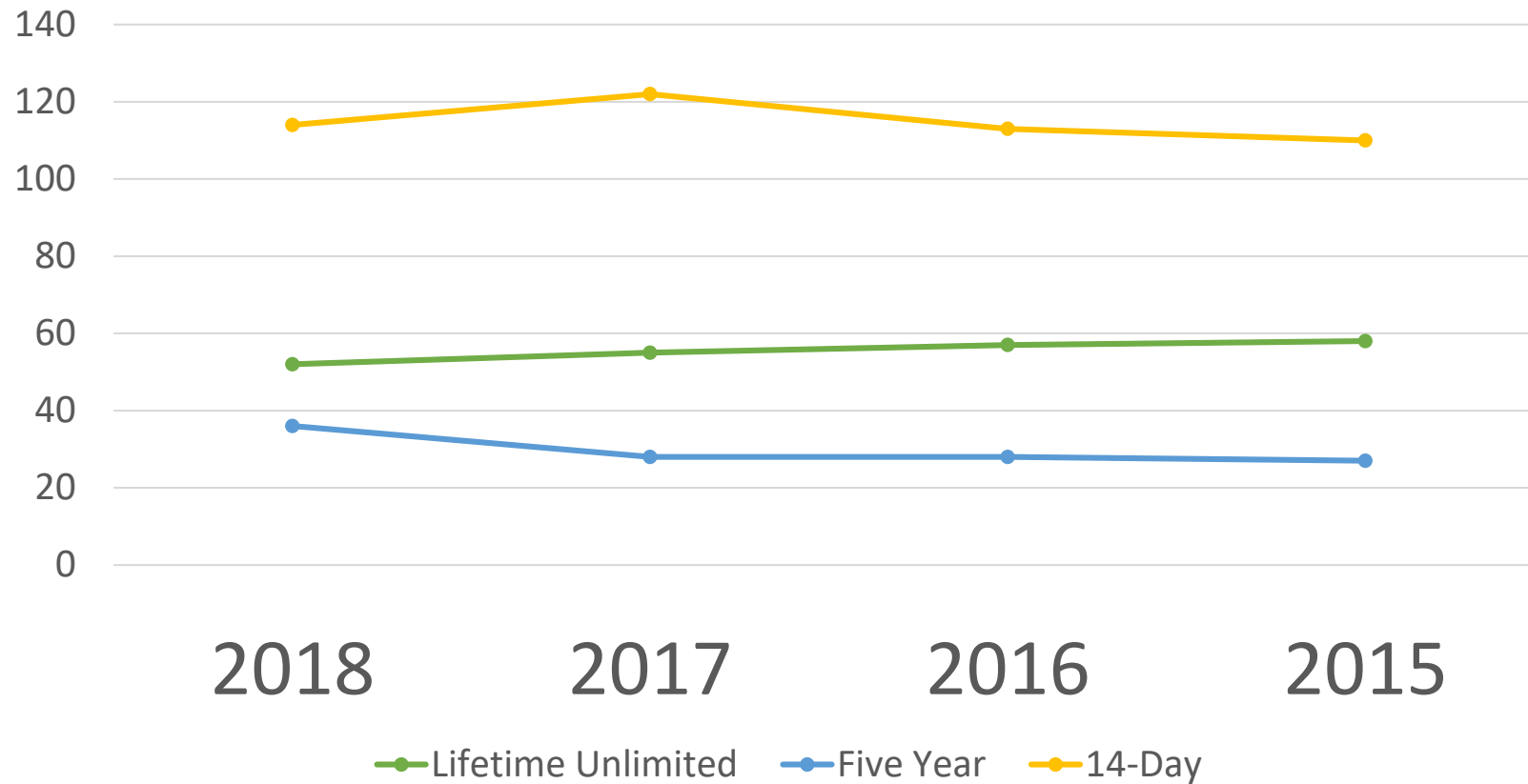
The City finds that transient occupancy of dwelling units constitutes a visitor oriented commercial use in the City's residential areas. In order to maintain the residential character and livability of its neighborhoods and to prevent the adverse effects of the transient occupancy of dwelling units on residential neighborhoods, it is necessary to limit and regulate the transient occupancy of dwelling units. (Comprehensive Plan, Housing policy 8)

The purpose of this chapter is to protect the character of the city's residential neighborhoods by limiting and regulating the short-term rental of dwelling units. The city permits three categories of short-term rentals. The three categories are: lifetime unlimited permits, five-year unlimited permits and fourteen-day permits. (Zoning Ordinance, section 17.77.010)

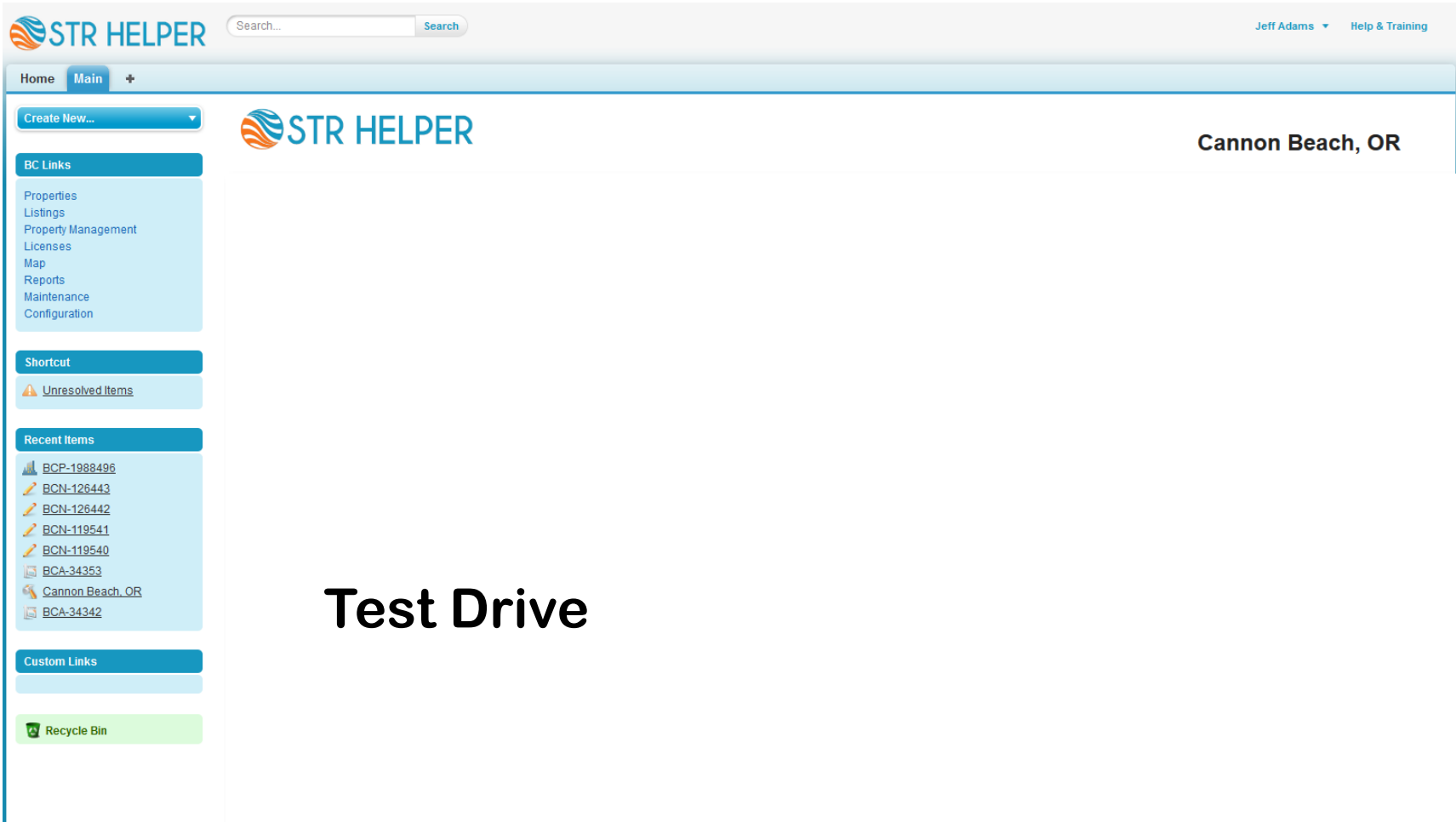


Short-Term Rentals

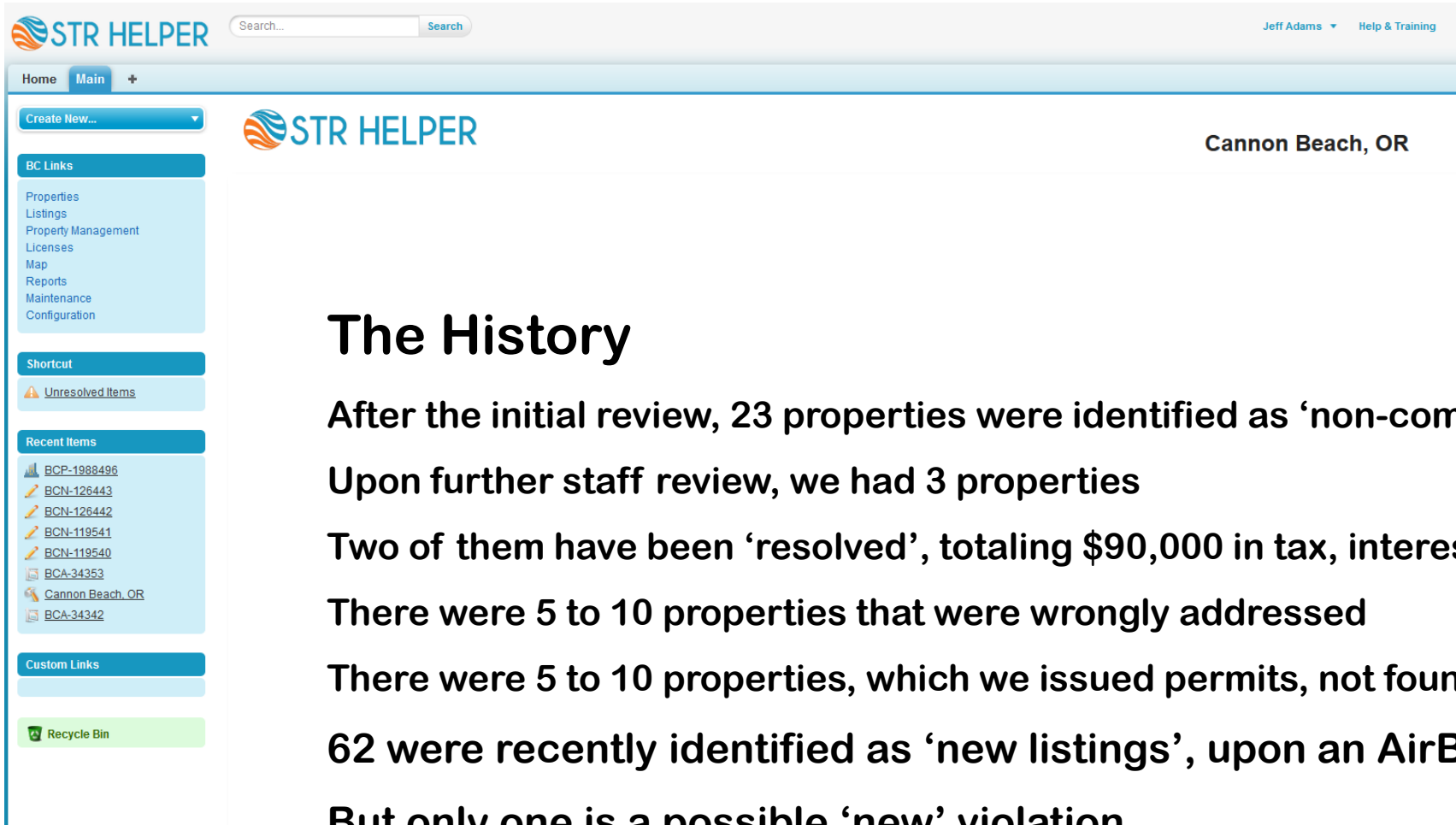
Short-Term Rentals



Context



Context



The History

After the initial review, 23 properties were identified as ‘non-compliant’

Upon further staff review, we had 3 properties

Two of them have been ‘resolved’, totaling \$90,000 in tax, interest & penalties

There were 5 to 10 properties that were wrongly addressed

There were 5 to 10 properties, which we issued permits, not found by STR helper


62 were recently identified as ‘new listings’, upon an AirBnB scrape

But only one is a possible ‘new’ violation

Of the 94 14-day rentals audited this year, just 7 have violations



Context



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Create New...









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Shortcut


 [Unresolved Items](#)

Recent Items

 [BCP-1988496](#)
 [BCN-126443](#)
 [BCN-126442](#)
 [BCN-119541](#)
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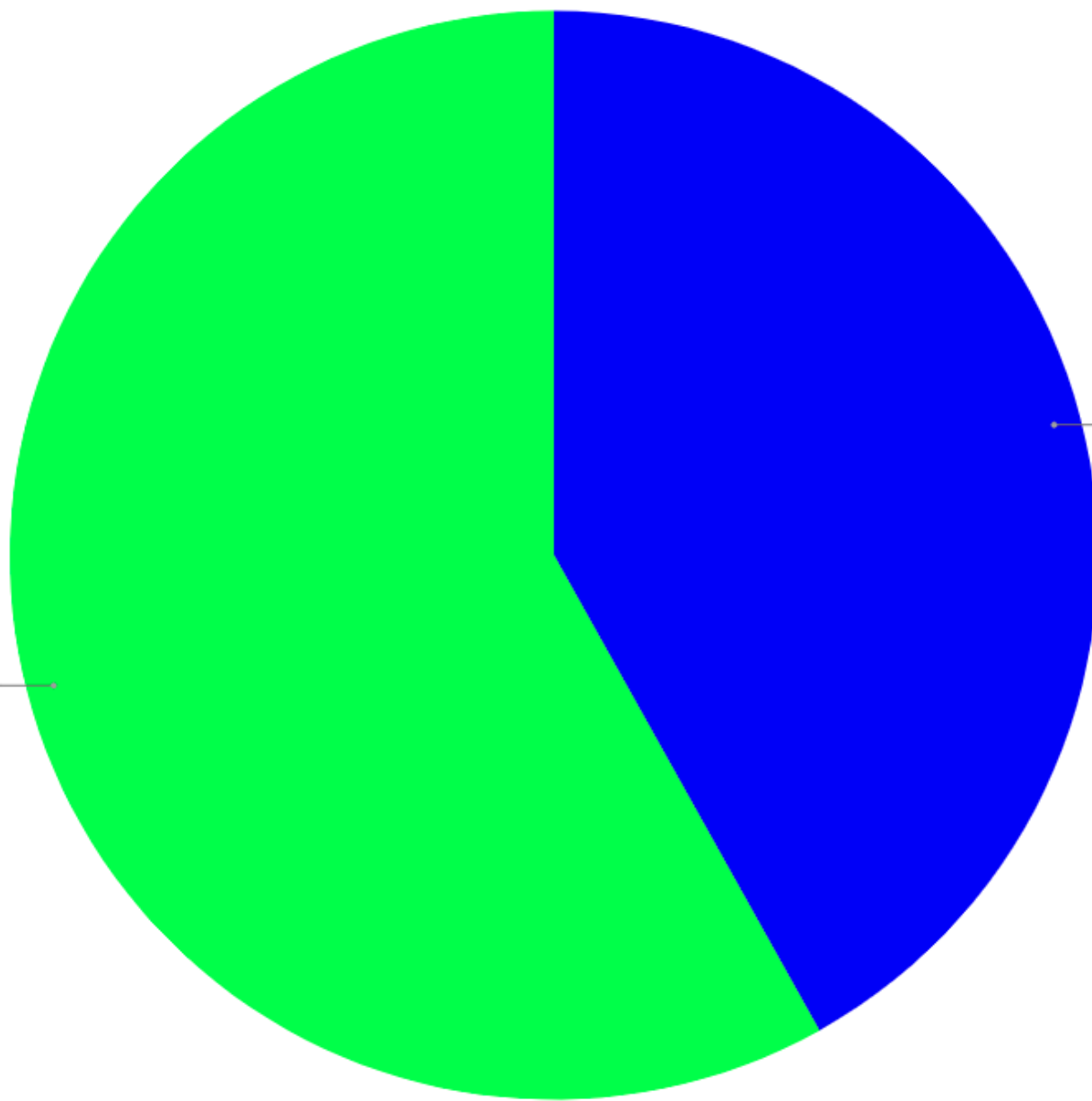
Cannon Beach, OR

The Numbers (2010 US Census)

1,812	= Housing Units in Cannon Beach
759	= Occupied
1,053	= Vacant
20	= For Rent
8	= Rented, not occupied
24	= For Sale only
4	= Sold, not occupied
980	= For seasonal, recreational, or occasional use
17	= All other vacants



Context



Occupied housing units
41.9%

Vacant housing units
58.1%



Context

All other vacants
0.9%

Occupied housing units
41.9%

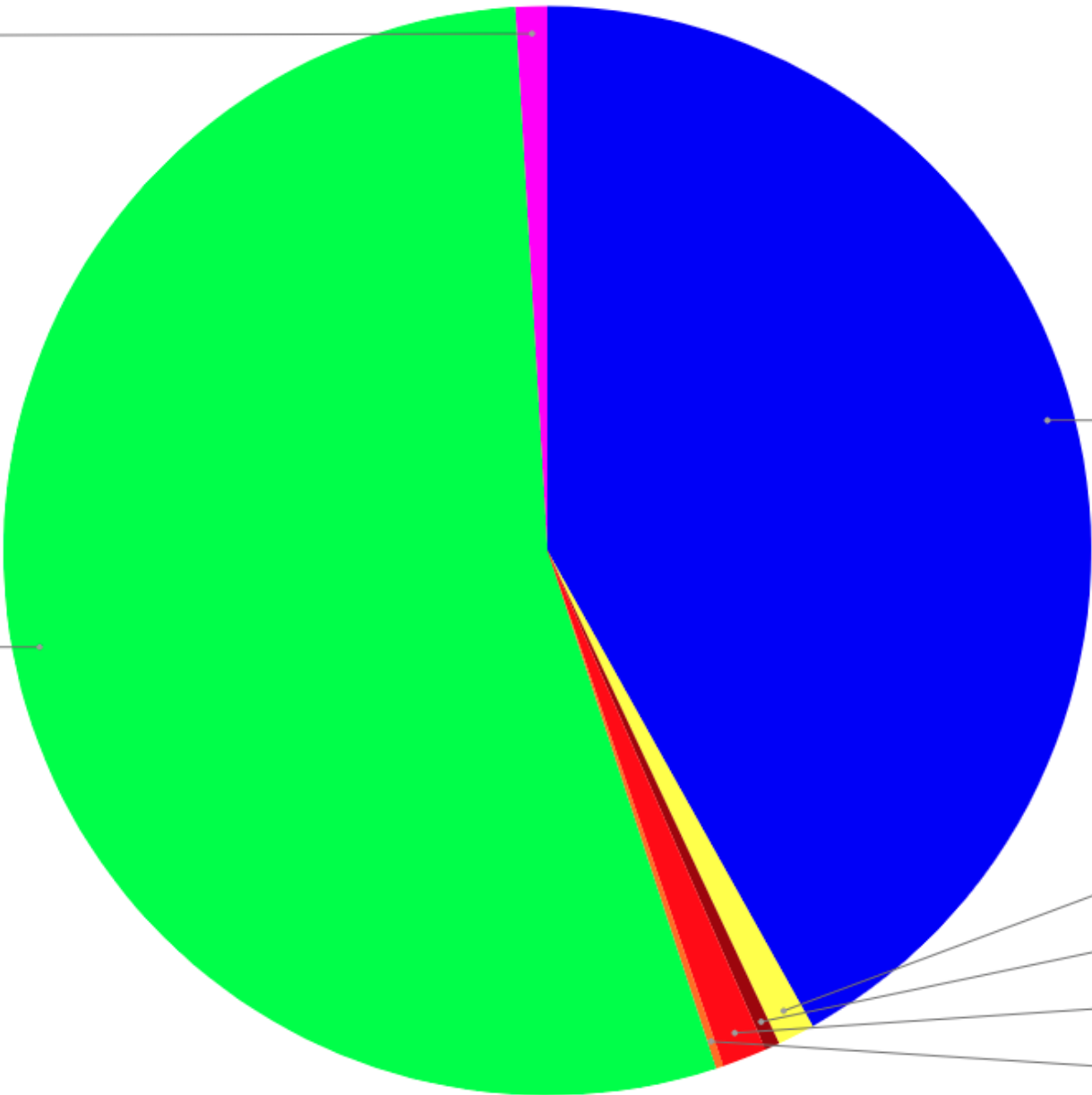
For seasonal, recreational, or occasional use
54.1%

For rent
1.1%

Rented, not occupied
0.4%

For sale only
1.3%

Sold, not occupied
0.2%



Context

All other vacants

0.9%

Short-Term Rentals

11.0%

Occupied housing units

41.9%

For seasonal, recreational, or occasional use

43.1%

For rent

1.1%

Rented, not occupied

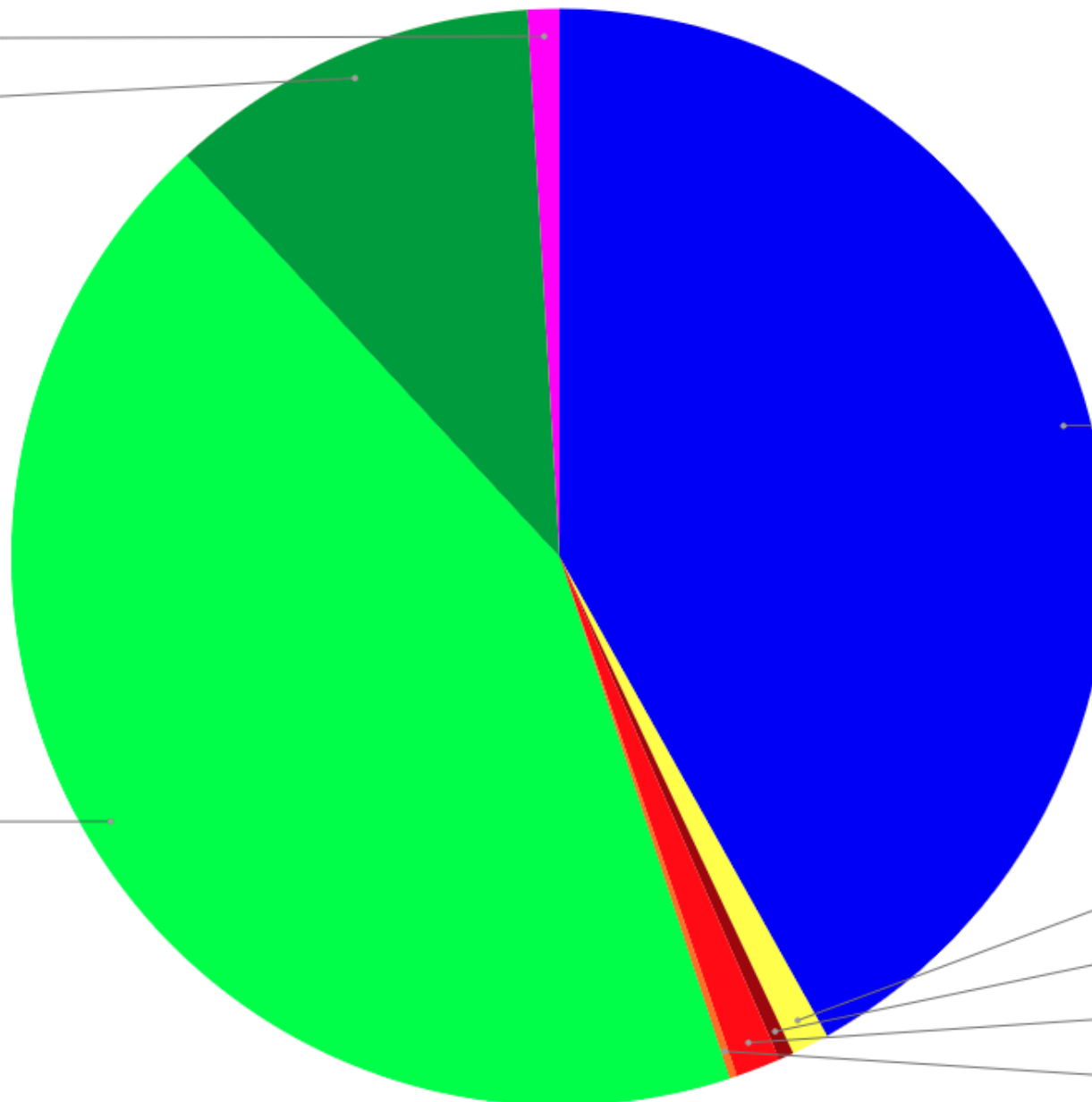
0.4%

For sale only

1.3%

Sold, not occupied

0.2%



Context

All other vacants
0.9%
Short-Term Rentals
11.0%

Owner-occupied housing units
24.3%

For seasonal, recreational, or occasional use
43.1%

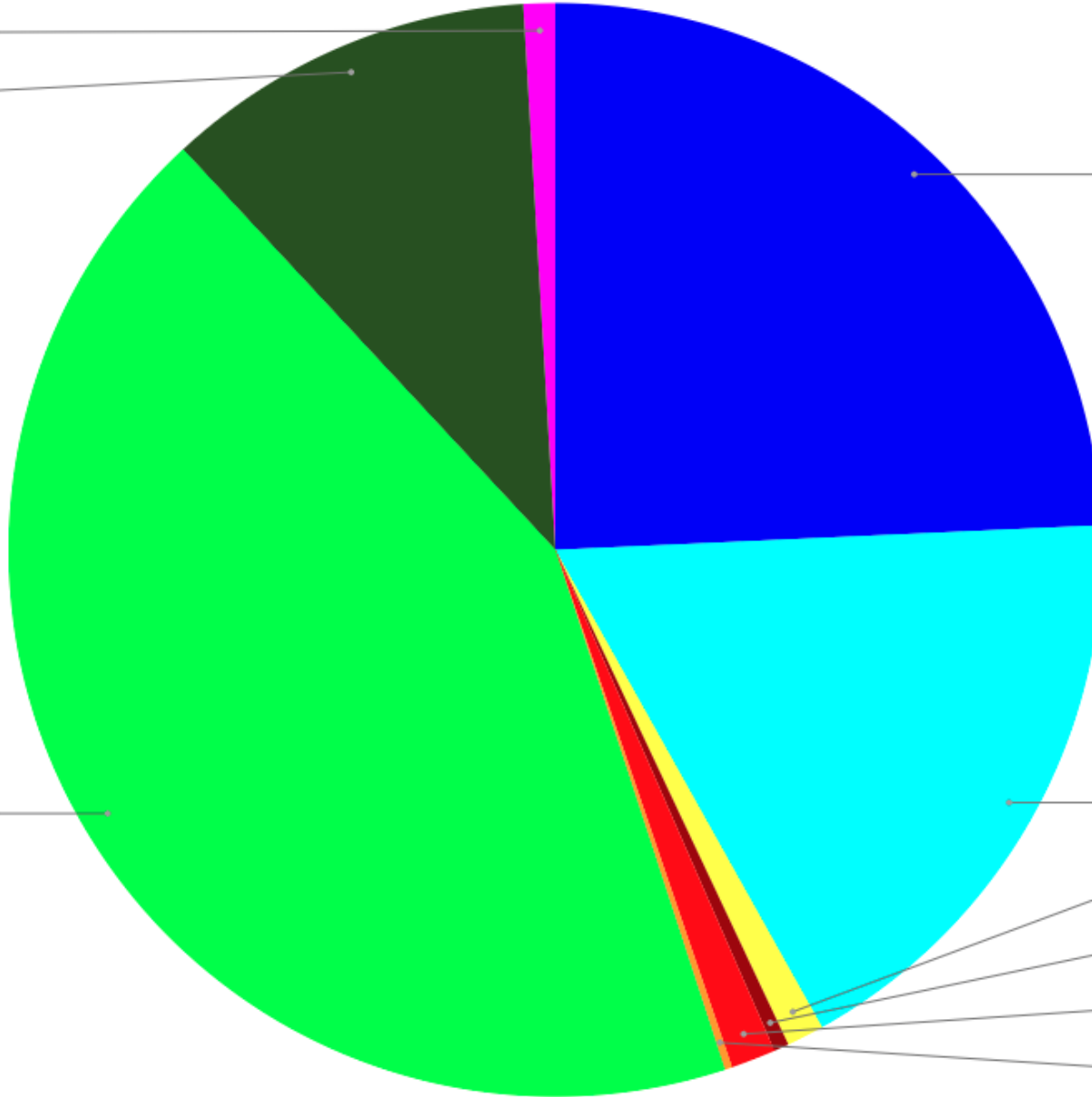
Renter-occupied housing units
17.6%

For rent
1.1%

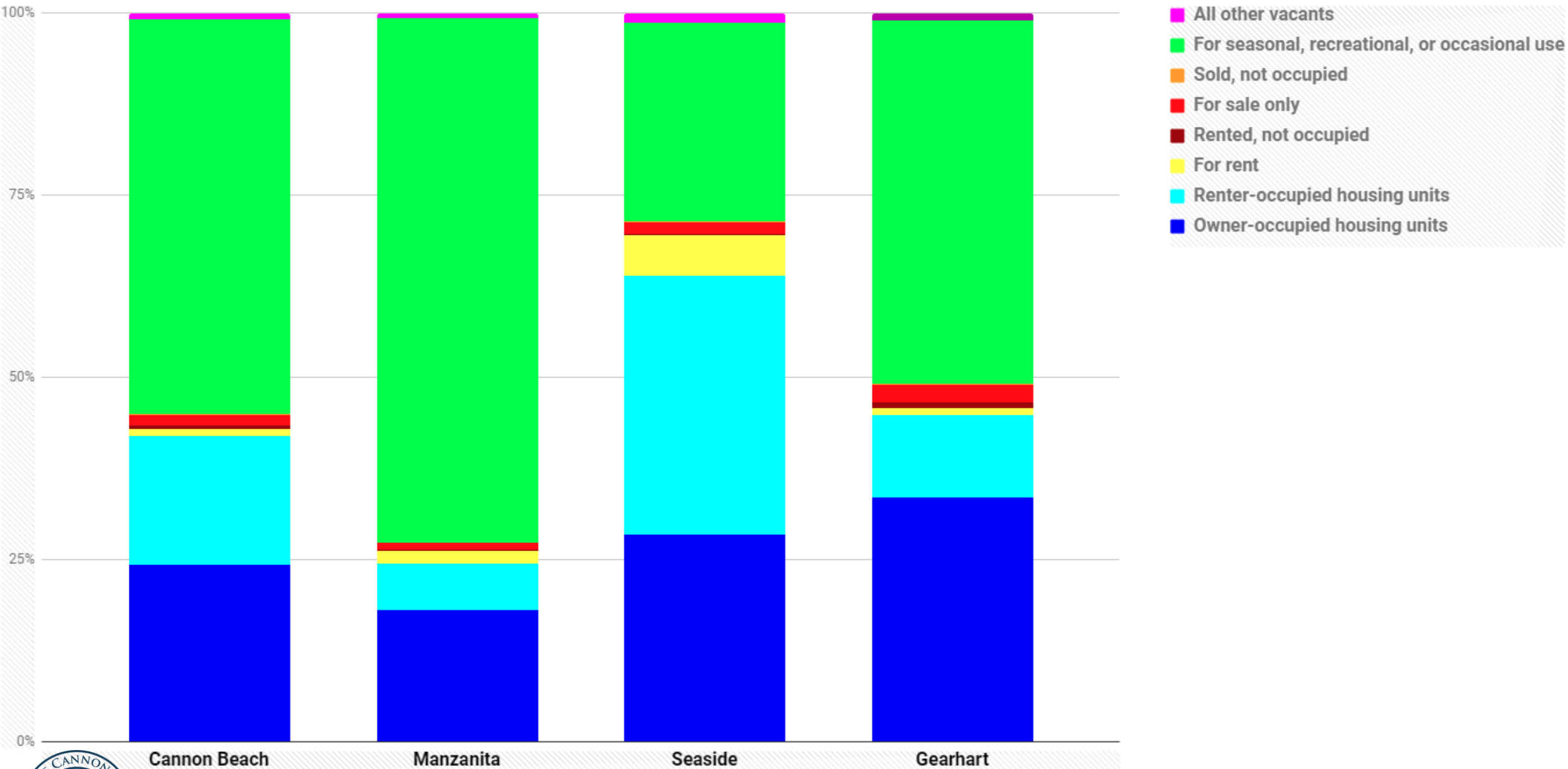
Rented, not occupied
0.4%

For sale only
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Context



Context



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Cannon Beach, OR

The Math

- 11.9 = Average number of reservations per unit per year
(note: only three had over 20 reservations this past year)
- 5.2 = Average length of stay
- 62.0 = Average number of nights rented per year
- 5.2 = Average number of nights rented per month
- 8.0 = Average occupancy of rental unit, as listed
- 3.3 = Average cars per listing
- 39.3 = Estimated cars per unit per year



Context

1. Award no more five-year permits, and end the five-year permit program by allowing current five-year permits to expire.
2. Change the restriction that allows one occupancy group per fourteen days – the “14-day rule” – to instead allow two occupancy groups per month.
3. At the owner’s option, allow a self-managed short-term rental unit to defer penalties by changing to ‘professional management’.



Proposed Changes

1.

17.77.050 Lifetime unlimited and five-year unlimited permits.

~~A. It is the city's intention to maintain ninety two unlimited rental permits (either lifetime or five-year unlimited) at any one time. When a lifetime unlimited permit or a five-year unlimited permit is revoked pursuant to this chapter, the city will not issue any new lifetime unlimited permits; however, the city will accept a new application for a five-year unlimited permit as follows. The city will maintain a roster of property owners who are interested in obtaining a five-year unlimited permit for their dwelling unit. A property owner may place his or her name on the roster at any time. When an opportunity for a new five-year unlimited permit arises, the city will select a name from the roster by means of a random selection. The person so selected will have one hundred eighty days to obtain a rental permit from the city. If the person so selected does not obtain a permit within one hundred eighty days of being notified by the city of their selection, a new name will be selected from the roster by random selection.~~

Note: Proposed changes to section 17.77.050 would end the five-year unlimited permit program when the current permits expire; and would immediately end the lottery system of awarding new permits. There are currently 34 permits in the five-year program, more-or-less evenly distributed across five years. The last five-year permit should expire about five years after adoption of this amendment. Lifetime unlimited permits would continue to terminate at their natural rate of one or two per year (usually due to transfer or sale of the property). There are currently 53 lifetime unlimited permits.

A. It is the City's intention to allow lifetime unlimited permits and five-year unlimited permits to remain in force until revoked or terminated pursuant to this chapter. When a lifetime unlimited permit is revoked or terminated pursuant to this chapter, it will not be replaced. When a five-year unlimited permit is revoked or terminated pursuant to this chapter, it will not be replaced.



Proposed Changes

2.

17.77.060 ~~Fourteen-day~~ Monthly-limited permit occupancy requirements.

~~A. The fourteen-day permit issued by the city authorizes the owner to rent the dwelling once, one individual tenancy, within fourteen consecutive calendar days.~~

A. The monthly-limited permit issued by the city authorizes the owner to rent the dwelling twice, to two individual tenancy groups, in a calendar month.

B. An individual tenancy shall commence on the first day that the person(s) that constitute the individual tenancy occupies ~~or are entitled to occupy~~ the dwelling unit.

C. For the purposes of this subsection, an individual tenancy means a specific person or group of persons who together occupy ~~or are entitled to occupy~~ a rental with a ~~fourteen-day~~ monthly-limited permit.

~~D. Occupancy of the rental unit by the individual tenancy for the entire fourteen-day period is not required. However, no additional occupancy, with the exception of the property owner, shall occur within the minimum fourteen-day occupancy period that begins on the first day of an individual tenancy.~~

Note: Changes to section 17.77.060 transition the current 14-day permit program to a “monthly-limited” program allowing two tenant groups per month. There are currently 118 permits in the 14-day program. They expire, and may be renewed, 12 months after issuance, with most expiring June 30.

Note: The “entitled to occupy” language in subsection B is deleted here and elsewhere because it has led to some confusion about when tenancy actually begins.



Proposed Changes

Current 14-Day Rental Example

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	1	2	3	4	1st Arrival	6
7	8	9	10	Departs	12	13
14	15	16	17	18	Next	20
21	2nd Arrival	23	24	25	26	27
Departs	29	30	31			

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
				1	2	3
4	Next	6	7	8	9	10
11	12	13	14	15	16	17
18	Next	20	21	22	23	24
25	26	27	28	29	30	

Proposed Monthly-Limited Rental Example

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	1	2	3	4	1st Arrival	6
7 Departs	8	9	10	Departs	Next	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	1st Arrival	23	Departs
Next	26	27	28	29	30	



Proposed Calendar

D. Occupancy by more than two individual tenancy groups in the same calendar month is prohibited, with the following exceptions:

1. Occupancy by the owner.

2. Occupancy by an individual tenancy group that began during the prior month. As an example, a tenant group arrives on the 30th of June and stays until the 10th of July; this occupancy group is credited to June, but not to July, for purposes of determining compliance with this chapter.

Note: The amendment to D.2 establishes how tenancy across two months would be counted.

E. A ~~fourteen-day~~ **monthly-limited** rental permit is issued to a specific owner of a dwelling unit. When the permit holder sells or transfers the real property, the original ~~fourteen-day~~ permit is revoked and the new owner may apply for a new **monthly-limited** rental permit.

F. A person who holds a lifetime unlimited or five-year unlimited permit shall not be permitted to hold a ~~fourteen-day~~ **monthly-limited** permit.

G. A ~~fourteen-day~~ **monthly-limited** permit application may be submitted to the city at any time and, if approved, the ~~fourteen-day~~ permit shall last for one year from the date of issuance.



Proposed Changes

3.

17.77.120. Professional Management

A. Self-managed short-term rental permit holders with two or more violations within a twenty-four month period may defer the penalties in section 17.77.100 by placing their short-term rental unit under professional management as defined in section 17.77.020 for a minimum period of two years. If additional violations accrue during the period of professional management, the penalties in 17.77.100 are applicable, including deferred penalties.

Note: This proposed new section is an attempt to encourage chronic out-of-compliance permit holders to place their self-managed units under professional management. The City's experience has been that, overall, professionally managed units have fewer violations than self-managed units.

Professional Management. "Professional Management", for purposes of this chapter, means management of a short-term rental unit by a licensed property management company holding a Cannon Beach business license, engaged primarily in the business of managing rental property, and with a physical office in Cannon Beach or within the distances specified in section 17.77.080.A.

Note: This definition is related to section 17.77.120.



Proposed Changes

17.77.100 Violations and penalties.

A. The following conduct shall constitute a violation for which the penalties specified below may be imposed. Note that each day of a violation is considered a separate violation for the purposes of the sanctions below.

1. The owner has failed to comply with any of the standards listed in this chapter; or
2. The owner has failed to pay the transient room tax and/or file a transient room tax return as required by Municipal Code, Chapter 3.12.

B. Penalties. For violations of this chapter, the following penalties will be imposed:

1. For the first violation within a twenty-four-month period, the penalty shall be a warning notice.
2. For the second violation within a twenty-four-month period, the penalty shall be a suspension of the permit for thirty days.
3. For the third violation within a twenty-four-month period, the penalty shall be a suspension of the permit for ninety days.
4. For the fourth violation within a twenty-four-month period, the penalty shall be a revocation of the permit.

C. Notice. The city shall notify the permit holder and local representative in writing of any penalties imposed under this chapter.

1. The City may seek injunction or other equitable relief in court to enjoin any violation of this Ordinance and may recover the costs of such actions. The City may seek such criminal or civil penalties as are authorized by Oregon law. Each day of violation may be considered a separate violation. Each violation may result in a fine of up to \$500.

2. After the revocation of a permit, or after the enforcement taken under 17.92.020 of the general provisions of 17.77.030 for renting without a license, where a penalty is awarded under the provisions of 17.94.010, the owner(s) will be prohibited from participation in the Short-Term Rental program for two years from the time of the revocation or penalty.



Proposed Technical Change

17.77.030 General provisions.

A. No person shall occupy, use, operate or manage, nor offer or negotiate to use, lease or rent a dwelling unit in the RVL, RL, R1, R2, R3, MP and RAM zones for short-term rental occupancy except:

Chapter 17.04 DEFINITIONS

17.04.008 Accessory dwelling.

“Accessory dwelling” means an attached or detached dwelling unit which is located on the same lot on which a single-family dwelling, modular dwelling or manufactured dwelling is located (the primary residence) and which is rented only for periods of thirty calendar days or more. (Ord. 95-8 § 3)

17.04.195 Dwelling, duplex or two-family.

“Duplex or two-family dwelling” means a building, ~~or buildings,~~ containing two dwelling units with or without a common wall or ceiling and where there are no direct interior connecting doorways. (Ord. 03-7 § 1; Ord. 95-8 § 2; Ord. 92-11 § 2; Ord. 90-10 § 1 (Appx. A § 1(3)); Ord. 86-16 § 1(30); Ord. 86-10 § 1(30))



Proposed Technical Change

BED AND BREAKFAST: an adaptive re-use of a single-family detached building as a place of overnight accommodation, in which:

1. One or two guest rooms that are rented for daily and / or weekly terms;
2. Breakfast is provided to guests;
3. No more than one kitchen facility is located within the structure; and
4. The operator resides on the premises.

DUPLEX: A two-family dwelling where neither unit contains less than thirty-three percent (33%) of the total habitable floor area of the structure.

DWELLING, ACCESSORY DWELLING UNIT (ADU): A habitable living unit added to, created within, or detached from a single-family dwelling that provides basic requirements for living, sleeping, eating, cooking, and sanitation.

DWELLING, APARTMENT OR MULTIPLE-FAMILY: A building or portion thereof, designed for occupancy by three (3) or more families living independently of each other.

DWELLING, DUPLEX OR TWO-FAMILY: A building, including modular housing, containing two (2) dwelling units with a common wall or ceiling.

DWELLING, SINGLE-FAMILY ATTACHED: An individually owned single-family attached dwelling, such as a townhouse.

DWELLING, SINGLE-FAMILY OR ONE-FAMILY: A detached building, other than a mobile home or modular home, containing one dwelling unit and not including timeshare ownership of that dwelling unit.

DWELLING UNIT: One or more rooms designed for occupancy by one family for living purposes and having only one cooking facility, but not including motel units.

GUESTHOUSE: A structure for human habitation, containing one or more rooms with bath and toilet facilities, but not including a kitchen or facilities which would provide a complete housekeeping unit.



Proposed Technical Change



Questions?